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The Aluminum Situation

Department of Economics and Statistics **May 1988**

INDUSTRY SHIPMENTS DECLINE 1.1% THRU MARCH 1988

Total industry net shipments for the first three months of 1988, reported at 3,941 million pounds, were down 1.1 percent from the three month 1987 total of 3,983 million pounds.

Domestic shipments of 3,630 million pounds were down 1.8 percent from the three month 1987 total of 3,698 million pounds.

Exports of ingot and mill products of 311 million pounds were up 8.9 percent from the first three months of 1987 while imports declined 6.1 percent for the same period.

	1988 3 Mos.	1987 3 Mos.	% Change
Mill Products	3,256	3,155	3.2
Ingot	685	828	-17.3
Total	3,941	3,983	-1.1
Less Exports	311	285	8.9
Domestic Total	3,630	3,698	-1.8

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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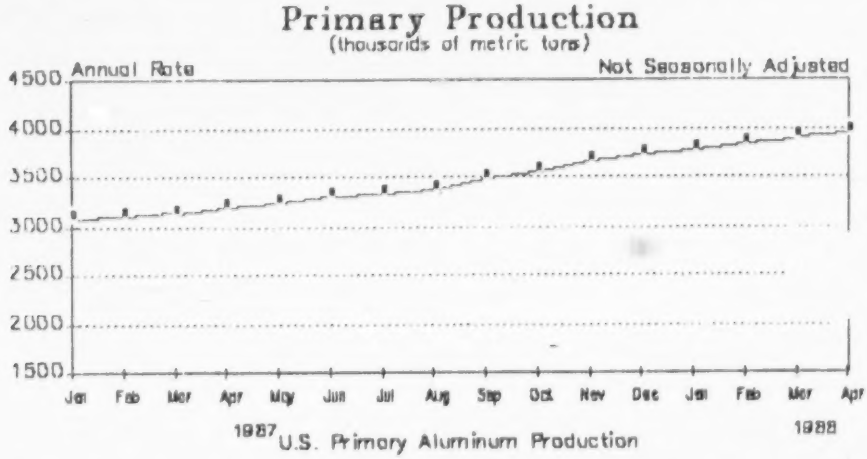
PRIMARY PRODUCTION DAILY RATE 10,788 METRIC TONS

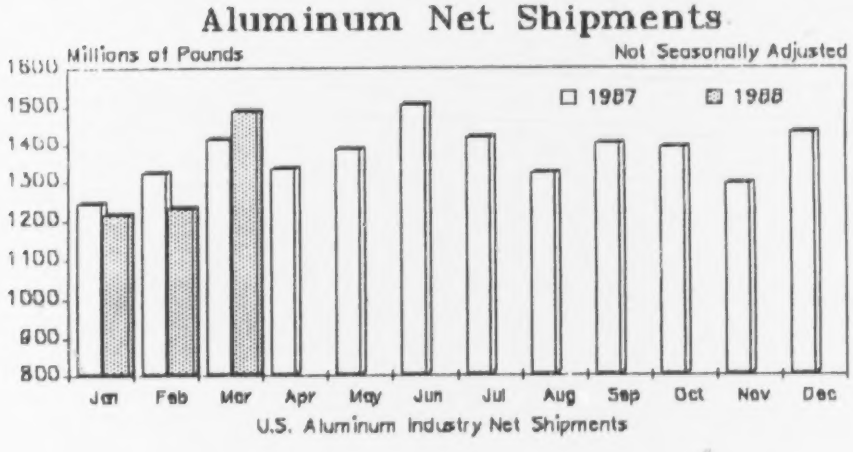
U.S. Primary aluminum production averaged 10,788 metric ton daily during April 1988. This compares with an average of 8,500 metric tons a day in April 1987 and 10,652 metric tons a day in March 1988. The annual rate of production in April 1988 was 3,948,249 metric tons compared with 3,199,043 metric tons in April 1987 and 3,898,715 metric tons in March 1988. Actual production in April 1988 was 323,627 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

INDUSTRY NET SHIPMENTS DOWN 1.1 PERCENT

Total industry net shipments of 3,941 million pounds for the first three months of 1988 declined 1.1 percent from the 1987 total of 3,983 million pounds. During the same period, exports totaling 311 million pounds were up 8.9 percent. Domestic shipments of 3,630 million pounds were down 1.8 percent from a year ago.



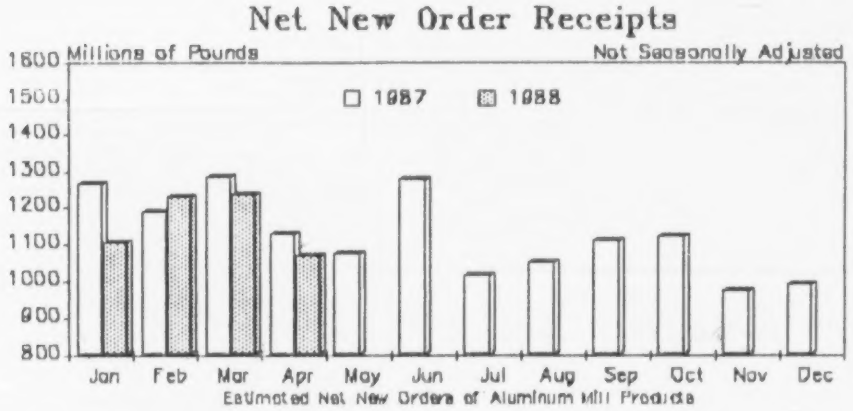
U.S. Aluminum Industry Net Shipments

NET SHIPMENTS (Millions of Pounds)	1988 March	1987 March	1988 3 Mos.	1987 3 Mos.	% Change 1988 vs 1987
Sheet	648.2	617.7	1,702.4	1,670.4	1.9
Plate	26.2	26.2	72.1	70.4	2.4
Foil	86.3	76.1	233.3	217.4	7.3
Rod,Bar & Wire	25.0	28.5	86.9	87.3	-0.4
Elec. Conductor	65.5	55.5	167.8	143.8	16.7
Extruded Shapes,Tube	249.2	235.9	678.3	661.1	2.6
Powder & Paste	7.7	9.2	20.1	22.7	-11.6
Forgings & Impacts	17.1	13.8	46.5	38.3	21.2
Net Imports of Mill Products (Total) (a)	98.3	84.0	248.2	243.5	1.9
Total Mill Products	1,223.8	1,146.9	3,255.6	3,155.0	3.2
Ingot (b)	263.3	266.1	685.0	828.1	-17.3
TOTAL INDUSTRY SHIPMENTS	1,487.2	1,413.0	3,940.6	3,983.1	-1.1
Exports	123.3	100.0	310.8	285.5	8.9
TOTAL DOMESTIC SHIPMENTS	1,363.9	1,313.0	3,629.8	3,697.6	-1.8

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 4.7 PERCENT

Estimated net new order receipts of aluminum mill products for the first four months of 1988, totaling 4,645 million pounds, fell 4.7 percent versus the same period of 1987. Total net new orders of aluminum mill products for the month of April 1988 of declined to 1,071 million pounds, down 13.5 percent from March 1988.



ORDER RECEIPTS (Millions of Pounds)	1988 April	1987 April	1988 4 Mos.	1987 4 Mos.	% Change 1988 vs 1987
Sheet & Plate, Other	401.5	436.6	1,624.5	1,916.4	-15.2
Can Stock	265.0	255.0	1,387.1	1,296.7	7.0
Foil	84.7	108.3	362.3	362.5	-0.1
Bar, Rod & Wire	35.2	38.0	152.5	135.3	12.7
Electrical Conductor	62.4	56.8	247.9	221.0	12.2
Extruded Shapes & Tube	198.7	217.5	786.0	849.1	-7.4
Powder & Paste	8.1	9.1	31.4	37.7	-16.7
Forgings & Impacts	15.3	10.6	53.0	53.3	-0.6
Total Mill Products	1,070.9	1,131.9	4,644.7	4,872.0	-4.7

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECLINE 32 MILLION POUNDS

Producer inventories declined in March 1988 to a total of 4,369 million pounds. This represents a 32 million pound decrease from the February 1988 level of 4,401 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
Dec	4,175	1,466	587	2,123
Jan	4,344	1,511	557	2,276
Feb	4,401r	1,522r	547r	2,332r
Mar	4,369	1,459	562	2,348

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Revised

CUSTOMER INVENTORIES REPORTED AT 36.5 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of March 31, 1988 was 36.5, down 2.7 percent from February 1988.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

Dec 87	36.1
Jan 88	36.7
Feb 88	37.5
Mar 88	36.5

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports
(Millions of Pounds)

		1988 March	1987 March	1988 3 Mos.	1987 3 Mos.	% Change 1988 vs 1987
Imports	Mill Products	110.1	93.8	270.9	265.2	2.2
	Ingot	230.1	221.4	655.1	721.3	-9.2
	Total	340.3	315.2	926.0	986.4	-6.1
	Scrap (+ dross)	47.7	33.0	111.8	108.8	2.8
	Grand Total	388.0	348.2	1,037.9	1,095.2	-5.2
Exports	Mill Products	79.8	52.9	196.4	151.8	29.4
	Ingot	43.5	47.0	114.5	133.7	-14.4
	Total	123.3	100.0	310.8	285.5	8.9
	Scrap	67.9	72.6	175.2	189.5	-7.6
	Grand Total	191.2	172.5	486.0	475.0	2.3
Net Imports		196.8	175.7	551.9	620.3	-11.0

Source: Bureau of the Census, U.S. Department of Commerce.